GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

STARRED QUESTION NO:271
ANSWERED ON:10.03.2003
CLOSURE OF TRADITIONAL RURAL AND COTTAGE INDUSTRIES
BIR SING MAHATO

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether the Government are aware of the fact that the condition of traditional rural and cottage industries has been deteriorating and are on the verge of closure;

(b) if so, the details thereof and the reasons therefor;

(c) the steps taken by the Government to improve their condition; and

(d) the extent to which the Government have succeeded in improving the situation?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF AGRO AND RURAL INDUSTRIES (SHRI SANGHPRIYA GAUTAM)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 271 FOR ANSWER ON 10.03.2003

(a) to (c): The Khadi and Village Industries sector consists essentially of conventional (traditional) rural cottage industries. Government have been taking steps from time to time for the promotion and development of rural and cottage industries with positive results. Assistance provided to this sector consists of margin money assistance under Rural Employment Generation Programme (REGP), training, technological and marketing support.

As a result, village industries have been registering growth in production and employment.

In order to further strengthen this sector in the country, `Khadi Package` was announced by the Government on 14.05.2001. The package mainly consists of creation of packaging and design facilities, measures to promote marketing, brand building, cluster development, focus on core areas and provision of additional working capital etc. In view of the above, it may be seen that traditional rural and cottage industries are not deteriorating and not on the verge of closure.

(d): The improvement in the status of rural cottage industries during the past two years is given below :-

Item	2000-01	2001-02	(%) Growth
Production (Rs. in lakhs)	649168.96	714052.35	10%
Employment (Persons in lakhs)	50.51	54.17	7.2%